Unit 201: Employment and employability in the building services engineering sector

# Worksheet 5: Sole trader or limited company (learner)

**Task 1**: Read the following statements and decide whether they apply to a sole trader or a limited company. Write ‘S’ for a sole trader or ‘L’ for a limited company in the space provided.

1. This business structure is a separate legal entity from its owner(s). \_\_\_\_
2. This business structure is owned and operated by one individual. \_\_\_\_
3. The owner has unlimited liability for the business's debts and obligations. \_\_\_\_
4. This business structure is required to register with Companies House. \_\_\_\_
5. This business structure requires the owner to file annual accounts and a tax return with HMRC. \_\_\_\_
6. This business structure can have multiple shareholders. \_\_\_\_
7. The business's profits are taxed as personal income of the owner(s). \_\_\_\_
8. The business's profits are taxed as corporation tax. \_\_\_\_
9. This business structure is a preferred option for those who want complete control over their business. \_\_\_\_
10. This business structure is a preferred option for those who want to limit their personal liability for the business's debts. \_\_\_\_

**Task 2**: Read the following statements and decide whether they are true or false.   
Circle the correct option.

1. Self-motivation is a critical aspect of successful self-employment.

**True / False**

1. Self-employed individuals have limited opportunities for earning compared to traditional employees.

**True / False**

1. Flexibility in work schedules is not a benefit of self-employment.

**True / False**

1. Choosing the right clients is not essential for successful self-employment.

**True / False**

1. Successful self-employed individuals must have the ability to balance their work and personal life.

**True / False**

1. Vetting clients involves ensuring that they align with one's values and goals.

**True / False**

1. Setting fair prices and clear communication are important factors in choosing positive clients.

**True / False**

1. Successful self-employed individuals must be able to create schedules that suit their lifestyle.

**True / False**

1. Working for an employer provides greater control over one's income compared to self-employment.

**True / False**

1. Successful self-employed individuals do not require self-discipline.

**True / False**